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November 13, 2001

Ms. Gloria Blue
Executive Secretary
TPSC
Office of the United States Trade Representative.
600 17th Street, N.W.
Washington, D.C. 20508

Public Document

Re: Inv. No. TA-201-73 (Certain Steel Products)

Dear Madam Secretary:

Enclosed please find the exclusion requests submitted on behalf of The Williams Company, Inc. and Coflexip Stena Offshore, Inc. in the above referenced investigation. These requests are filed pursuant to the United States Trade Representative's October 26, 2001 Notice in the Federal Register (66 Fed. Reg. 54321). Please do not hesitate to contact us if you have any questions regarding this submission

Respectfully submitted,
BARNES, RICHARDSON & COLBURN

By:

Matthew T. McGrath

Robert A. Shapiro

Counsel to: The Williams Company, Inc.
Coflexip Stena Offshore, Inc.

**BEFORE THE
TRADE POLICY STAFF COMMITTEE
OFFICE OF THE
UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT**

In the Matter of Review of the Determination of)
the U.S. International Trade Commission in)
Investigation of)
Certain Steel Products)
_____)

Investigation No. TA-201-73

**EXCLUSION REQUESTS
of
THE WILLIAMS COMPANY, INC.
COFLEXIP STENA OFFSHORE INC.**

These exclusion requests in the above-entitled investigation are filed on behalf of The Williams Company, Inc., (“Williams”), and Coflexip Stena Offshore Inc., (“Coflexip”), pursuant to 66 Fed. Reg. 54321 (October 26, 2001) in which the Trade Policy Staff Committee (“TPSC”) of the United States Trade Representative (“USTR”) requested specific exclusion information regarding any trade remedy that may be imposed under section 203(a) of the Trade Act of 1974 to facilitate efforts by the domestic industries producing certain steel products to make a positive adjustment to import competition. The specific information, as requested in 66 Fed. Reg. 54321, for each of the products listed below is contained in the submission of November 13, 2001 of the European Steel Tube Association.

Williams, through its subsidiaries delivers energy throughout the United States through its network of approximately 60,000 miles of steel pipelines. This includes nearly 30,000 miles of natural gas transmission pipelines, over 20,000 miles of petroleum products and natural gas

liquids pipelines, and thousands of miles of gathering pipelines. CSO engineers, procures and installs deepwater pipelines for many energy companies, including Williams. The primary customers of the pipeline projects are new electric generators, who must compete in the marketplace. The imposition of quantitative restrictions or additional quotas on the importation of LDLP would adversely affect major oil and gas production and transmission projects in the United States. Unless LDLP certain products are excluded from any recommended remedy, the development of systems for the transmission of needed new energy supplies to U.S. industries and consumers may become technologically or economically infeasible.

Large Diameter Line Pipe is primarily made to order for specific pipeline projects. The line pipe products in this exclusion request consist of larger diameter, thick walled pipes that are needed because of their ability to withstand high internal and external pressures and temperatures, such as deep water, “sour service”¹, and arctic applications. These products are from high grade steel and are not made by domestic manufacturers of LDLP. The thinner walled, lower steel grade, large diameter line pipe that is produced domestically cannot be used for these applications because of the risk of catastrophic failure.

In a recent antidumping investigation, *Welded Large Diameter Line Pipe from Japan and Mexico*² the domestic industry agreed to exclude LDLP products meeting 6 different definitions, listed herein as items 1 through 6. These products are vital the several current and projected pipeline projects, but are either not produced in the United States, or are produced in insufficient

¹ Sour service refers to service for sour gas and sour oil which is oil or gas containing free sulfur, hydrogen sulfur (H₂S), or other sulfur compounds in excess of 1 percent (for oil) or 10 grains of H₂S or 200 grains of total sulfur per 1,000 cubic feet (for gas). See *Circular Welded Carbon Quality Line Pipe*, Inv. No TA-201-70, USITC Pub. 3261 (December 1999) at page II-6.

² See, Notice of Final Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe from Japan, 66 Fed. Reg. 47172.

quantity to meet domestic demand. It is our understanding, from discussions with Berg Steel, a domestic producer of LDLP, that the domestic industry does not object to the products excluded from the antidumping order being excluded from the remedy recommended under the current section 201 proceeding.

Williams also understands that certain plate used to manufacture line pipe of for specific projects is unavailable in the United States and that domestic producers of LDLP must acquire this grade of steel plate from foreign sources. As this plate is vital for the production of Williams' pipelines, is unavailable from domestic sources, and is used by domestic industry in the production of project line pipe, Williams requests that the TPSC consider excluding the plate described as item 7 from any remedy recommendation.

LDLP is purchased on a project basis, and may not be procured until the pipeline project has received the necessary regulatory approvals. LDLP is not generally sold into inventories. Orders are related to the current and projected demand for energy, and the price of energy products. It is, therefore, difficult to predict future volumes of importation of this product.

It is the Administration's responsibility not to provide a remedy in which the economic and social costs of the remedy exceed the benefits or with a remedy which would have excessive adverse effects on domestic consumers and domestic competition. All of the products listed in this submission are vital to the further development of energy independence in the United States and the maintenance and expansion of the U.S. energy infrastructure. The inclusion of these line pipe products within any trade restrictive remedy would jeopardize these objectives.

Williams and Coflexip are purchasers of LDLP. We refer you to the submission of the European Steel Tube Association for overall market information, and a detailed description of

the products excluded in the antidumping investigation. The following is a list of items for which exclusion is requested. In all cases, the domestic industry agreed to exclude these products in various dumping investigations.

1. Welded large diameter line pipe 18 inches to 22 inches in outside diameter (“OD”) with wall thickness of 0.75 inches and greater, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50;
2. Welded large diameter line pipe 24 inches to less than 30 inches OD: with a wall thickness of over 0.875 inches – Grades A/B/X42; with a wall thickness over 0.75 inches – Grades X-52 and X-56; with a wall thickness over 0.688 inches – Grades X60 and higher, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50;
3. Welded large diameter line pipe 30 inches to less than 36 inches OD: with a wall thickness over 1.25 inches – Grades A/B/X42; with a wall thickness over 1 inch – Grades X-52 and X-56; with a wall thickness over 0.875 inches – Grades X60 and higher, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50;
4. Welded large diameter line pipe 36 inches to less than 42 inches OD: with a wall thickness over 1.375 inches – Grades A/B/X42; with a wall thickness over 1.25 inches – Grades X-52 and X-56; with a wall thickness over 1.125 inches – Grades X60 and higher, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50;
5. Welded large diameter line pipe 42 inches to through 64 inches OD: with a wall thickness over 1.5 inches – Grades A/B/X42; with a wall thickness over 1.375 inches – Grades X-52 and X-56; with a wall thickness over 1.25 inches – Grades X60 and higher, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50;
6. Welded large diameter line pipe with an outside diameter measuring greater than or equal to 64 inches regardless of wall thickness or grade, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50;
7. Flat steel plate of grade X-70 or higher. This plate is used by domestic LDLP producers for the production of high grade (API 5L X-70 and higher) LDLP that is used predominantly in very high pressure pipelines, often in critical areas and

conditions. This plate is not currently produced in the United States and was excluded from a recent dumping investigation.³

CONCLUSION

For the above stated reasons, ESTA requests that the Administration exclude the above products any remedy by the President.

Respectfully submitted,

By: _____

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November 13, 2001

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³ See, Certain Carbon Steel Plate from China, Russia, South Africa and Ukraine, Inv. Nos. 731-TA-753-756 (Final), USITC Pub. 3076 (December 1997) at 1.